

Senate Bill No. 1126

Passed the Senate August 29, 2006

Secretary of the Senate

Passed the Assembly August 23, 2006

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2006, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 3 of Chapter 1086 of the Statutes of 1970, relating to tidelands and submerged lands of the City of Eureka.

LEGISLATIVE COUNSEL'S DIGEST

SB 1126, Chesbro. Tidelands: City of Eureka.

Existing law grants to the City of Eureka all the right, title, and interest of the State of California in and to certain tidelands and submerged lands located in Humboldt Bay in trust for certain purposes. Existing law provides that certain moneys received by the City of Eureka from the Controller shall be deposited in the Humboldt Bay Fund and may be used by the City of Eureka for the purposes for which revenues accruing from or out of the use of those granted tidelands may be used.

Existing law requires the City of Eureka, prior to June 30 of each year, to pay to the Controller a specified amount of the money deposited by the city into the Humboldt Bay Fund during the preceding fiscal year in lieu of all obligations incurred by the city, as specified.

This bill would require the Controller, until January 1, 2010, to deposit those payments in an account to be created in the Humboldt Bay Fund specifically for these moneys. The bill would provide that the money in the account shall be accounted for separately from, and not commingled with, other moneys in the fund. The bill also would provide that moneys in the account shall remain under the control of the state, but may be used by the city for the purposes for which revenues accruing from or out of the use of the granted tidelands may be used.

The people of the State of California do enact as follows:

SECTION 1. Section 3 of Chapter 1086 of the Statutes of 1970, as amended by Section 1 of Chapter 1068 of the Statutes of 1982, is amended to read:

Sec. 3. (a) The city shall establish the Humboldt Bay Fund in the manner as may be approved by the State Lands Commission,

and the city shall deposit therein all moneys received directly from, or indirectly attributable to, the tide and submerged lands granted to the city. An annual statement of financial condition and operations, to conform with such requirements as the State Lands Commission may prescribe, shall be submitted to the State Lands Commission by the city on or before September 30th of each year for the preceding fiscal year. In furtherance of its management and administration over granted tide and submerged lands, the State Lands Commission shall audit, or cause to be audited, the operations and all books and records of the city. Further, the city shall prepare and submit to the State Lands Commission, for its review and approval, an annual budget with respect to all revenues and expenditures regarding tide and submerged lands granted to the city. All moneys received from the Controller pursuant to Section 18 of this act shall be deposited in the Humboldt Bay Fund and may be used by the city for the purposes for which revenues accruing from or out of the use of the granted tidelands may be used pursuant to the provisions of this act.

(b) Prior to June 30 of each year, the city shall pay to the Controller a sum that is not less than 15 percent of the amount of the money deposited by the city into the Humboldt Bay Fund during the preceding fiscal year, after deducting from the fund the principal and interest payments required by the currently outstanding 1973 Municipal Harbor Improvement Revenue Bond issue, and after the credit for reverted funds provided for in Section 18 of this act. Moneys received from the Controller pursuant to Section 18 of this act shall not be included in the calculation of the amount deposited into the Humboldt Bay Fund. Payments made to the Controller pursuant to this section shall be in lieu of all obligations incurred by the city pursuant to this section, as amended by Section 2 of Chapter 1252 of the Statutes of 1971, and prior to the amendment of this section during the 1977–78 Regular Session of the Legislature.

(c) Until January 1, 2010, upon receipt of the payment by the city made pursuant to subdivision (b), the Controller shall deposit the amount in an account to be created within the Humboldt Bay Fund specifically for these moneys. The moneys in this account shall be accounted for separately from, and not commingled with, the moneys deposited in the Humboldt Bay Fund pursuant to

subdivision (a). The moneys in the account shall remain under the control of the state, but may be used by the city for the purposes for which revenues accruing from or out of the use of the granted tidelands may be used pursuant to the provisions of this act.

(d) In the event the city fails to make any payment required to be made hereby for any reason whatsoever, the Board of Equalization, upon the order of the State Controller, shall deduct the amount of that payment from the sales and use taxes to be paid to the city thereafter pursuant to Section 7204 of the Revenue and Taxation Code and shall pay the same to the Controller.

(e) All payments made by the city and the State Board of Equalization shall be considered as oil revenues and dry gas revenues payable to the state pursuant to Chapter 138 of the Statutes of 1964, First Extraordinary Session, during the year they are received.

(f) For the purposes of Section 7 of this act, the amounts paid to the Controller by the city shall be considered as current and accrued operating costs and expenditures directly related to the operation and maintenance of tideland trust activities.

Approved _____, 2006

Governor